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SUBJECT: AMBASSADOR,S JANUARY 3 MEETING WITH FOREIGN
MINISTER FOCUSES ON MCA, MEPP, AND WESTERN SAHARA

Classified By: Ambassador Thomas T. Riley for reasons 1.4 (b) and (d).

¶1. (C) SUMMARY: On January 3, on the eve of his departure for the next round on UN-sponsored talks on Western Sahara, Foreign Minister Fassi Fihri expressed his frustration with Algeria's unwillingness to move beyond the status quo to resolve the issue and truly cooperate on economic and security issues. On the MEPP, the Minister said that the Annapolis and Paris meetings had been successes, but Israel needed to suspend construction in East Jerusalem. Turning to bilateral issues, we discussed the Millennium Challenge Account (MCA) implementing legislation being considered by the Moroccan parliament. The Ambassador used the 40-minute meeting to request again Fassi Fihri's assistance in securing an agreement on the status of the American schools (septel).
END SUMMARY.

¶2. (C) On January 3, the Ambassador, DCM and Millennium Challenge Corporation (MCC Country Director Muneera Salem-Murdock called on Minister of Foreign Affairs and Cooperation Taieb Fassi Fihri and Director of American Affairs Abdallah Salah Eddine Tazi. After again congratulating Minister of Foreign Affairs Taieb Fassi Fihri on his appointment, the Ambassador underscored the depth of our bilateral relations and of U.S. interest in Morocco, with no less than three congressional delegations visiting in the next two weeks. Fassi Fihri thanked the Ambassador but commented that the coalition government's lack of a clear majority in the parliament might limit his tenure.

WESTERN SAHARA, ALGERIA AND MEPP

¶3. (C) Preliminary to Fassi Fihri's January 4 travel to New York for the January 7-9 UN-sponsored talks on Western Sahara, the Minister wanted to discuss Western Sahara and bilateral relations with Algeria. Fassi Fihri said that three years ago, Morocco had taken USG advice to seek rapprochement with Algeria. The King had traveled to Algiers; Morocco had agreed to negotiate directly with the POLISARIO; and the King had called President Bouteflika after the December bombings. Algeria has not responded, except to say that the continuing closure of the border results from Morocco's annexation of the Western Sahara. Fassi Fihri said that Algeria prefers the status quo, and Morocco fails to understand why Algeria cannot see the benefits of cooperation on economic and security issues.

¶4. (C) Fassi Fihri continued that the POLISARIO also shows no willingness to compromise. The December POLISARIO

congress in Western Sahara and construction outside the berm were provocative; the threat to take up arms again in 2009 was even more so; and POLISARIO calls for a popular uprising north of the disputed territory were totally unacceptable and in total contradiction with UN Security Council Resolutions. He concluded the meeting by offering to brief us after the Manhasset talks end on January 9.

15. (C) Fassi Fihri praised the Annapolis and Paris meetings. He said the dinner with the Quartet had been useful. The Minister noted that Morocco has significant contact with Israel. However, Morocco remains very concerned about new settlements in East Jerusalem, which must stop. He added that as long as Israel continues to build new settlements, there can be no normalization. The Minister added that the Paris meeting was &very positive8 and that &Morocco will continue to try to contribute to regional peace and security.8

MILLENNIUM CHALLENGE ACCOUNT

16. (U) The Ambassador formally introduced MCC Country Director Salem-Murdock and said that we hoped that parliament will soon approve the MCA implementing agency, the Partnership Agency for Progress (APP). Salem-Murdock explained that while we are anxious to begin disbursing the USD 32 million Compact implementation fund and are also anxious to see the new Moroccan agency staffed, we are hampered by the slow progress toward conclusion of the Compact Implementation Fund (CIF) agreement, including the conclusion of the tax exoneration accord. She also pointed out that much work remained to be done before olive trees could be planted in November. Fassi Fihri said he had spent hours at parliament between December 31 and January 3

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responding to questions about the Compact. He noted that the Party for Justice and Development (PJD) had wanted to send a message. He explained that the absence of MCA projects in Western Sahara and the unique financial controls had raised concerns, but he assured us that the GOM is nonetheless sensitive to the urgency.

COMMENT

17. (C) The Minister seemed to expect little progress in the Manhasset talks. A modest man, Fassi Fihri seemed a bit uncomfortable in his huge new office. He was very conversant with the MCA and appears committed to implementing it as quickly as possible. END COMMENT.

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Riley